

**Small
Business**

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APR 19 1999

Committee

April 16, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
TWA-325
Washington, DC 20554

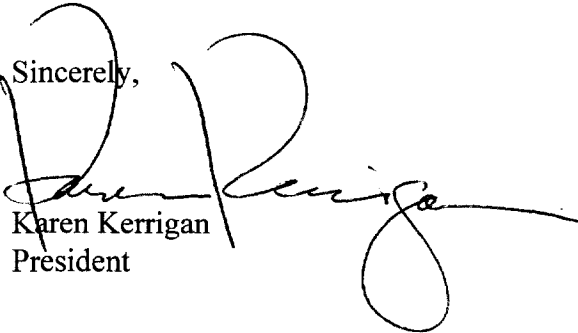
Re: Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers by Long Distance Carriers; CC Docket No. 94-129

Dear Ms. Salas:

Enclosed please find comments submitted by the Small Business Survival Committee on the above issue.

If you should have questions or need additional information, please do not hesitate to contact me at 202-785-0238.

Sincerely,


Karen Kerrigan
President

Enclosure

**Small
Business**

APR 19 1999

Before the

FEDERAL COMMUNICATIONS COMMISSION

Committee

Washington, DC 20554

In the Matter of)
)
Implementation of the Subscriber Carrier)
Selection Changes Provisions of the)
Telecommunications Act of 1996)
)
Policies and Rules Concerning)
Unauthorized Changes of Consumers by)
Long Distance Carriers)

CC Docket No. 94-129

To: The Commission

COMMENTS OF
SMALL BUSINESS SURVIVAL COMMITTEE

Small Business Survival Committee
1320 18th Street, NW Suite 200
Washington, DC 20036

April 16, 1999

APR 19 1999

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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To: The Commission

COMMENTS OF
SMALL BUSINESS SURVIVAL COMMITTEE (SBSC)

The Small Business Survival Committee (SBSC) submits these Comments in response to the public notice released by the Federal Communications Commission (FCC) inviting comment on the request for a waiver and motion for stay of the slamming liability rules submitted in the above referenced proceeding by MCI WorldCom *et. al.* on March 30, 1999. SBSC is a national, nonprofit, nonpartisan small business advocacy organization with over 50,000 members nationwide. Our group continues to be active on telecommunications issues, representing our membership as both consumers and entrepreneurs within the industry.

SBSC and its members have long been proponents of greater choice for all telecommunications services. Unfortunately, along with the clear benefits from choice, including lower prices, better service and exciting products and technologies comes opportunities for bad actors, to take advantage of customers. Therefore, SBSC supports the request for waiver for the creation of an

independent third party liability administrator.

I. An Independent Third Party Administrator is a Key to Competition

As local markets become open to meaningful competition for customers large and small, having an independent entity to handle complaints between customers and carriers will be important.

When the law of the land was that the Regional Bell Operating Companies (RBOCs) could not offer long distance service, the interest of the RBOCs and other incumbent local exchange carriers to take advantage of their role as the primary point of contact for the customer was less problematic. However, as the competitive landscape changes, the anticompetitive risks associated with RBOC market power in the local market will increase. An independent third party administrator will go a long way toward reducing the anticompetitive incentives and opportunities that are inherent in the incumbent local exchange carriers' position in the market.

While we recognize that the FCC took steps to try to take the financial benefits away from slammers, the rules announced at the end of 1998 did not solve much of the customer confusion that exists in the marketplace. The proposal for an independent third party builds on the positive aspects of the FCC's rules and enhances them for consumers and carriers alike.

The FCC's rules properly require the same verification rules and penalty structure for changing long distance, toll and ultimately local service. While this is an important and positive step forward, if we are ever going to achieve meaningful competition across all markets, taking the local exchange carrier out of the process for conversion is absolutely critical. Our membership

has seen the RBOCs use their position in the local market to make switching toll providers confusing or more difficult than necessary. The RBOCs will have a similar incentive to engage in anticompetitive behavior -- and perhaps even great interest based on the revenue at stake -- once they comply with the Telecommunications Act of 1996's competitive checklist and the prohibition on providing in-region long distance service is lifted.

The FCC should take this opportunity to stay ahead of the competitive curve instead of being forced to react to the inevitable anticompetitive behavior that will be experienced by consumers and competitors alike. Taking steps now to level the playing field between the entrenched monopolists and competitive firms will pay significant dividends in the form of fair competition.

II. One Call Resolution is an Enormous Consumer Benefit

One of the greatest sources of frustration for our membership is that if they suspect their carrier was changed without their consent they may get the run around among multiple companies and government agencies before having the problem finally resolved. Indeed, there is no single entity under the current rules or the FCC's new rules that can resolve the complaint for consumers. The proposal at issue would solve this nagging problem. On this point alone the creation of a third party administrator for slamming liability would be a major leap forward from the consumers perspective. From a small business perspective, the owners' time is money. Since there are plenty of frustrations in a small business owner's day, allowing a small business owner to proceed to a known direct source to solve their problems would be an enormous help.

As this Commission has recognized, consumers need information to make informed choices.

Consumers also need simplicity to effectuate those choices. This proposal would take major steps down that road. For the first time, a consumer would be able to get placed back with their preferred carrier, initiate a complaint and put any disputed billing on hold while the complaint is resolved. On its face this proposal is better than either the old rules or even the Commission's recent rules and should be accepted.

III. A Short Delay is Better than Changing Complaint Resolution Systems Twice in 6 Months

While SBSC is interested in having rules in place as soon as possible to keep its members and consumers in general from being forced to pay for services when they have been slammed, a short delay of implementation of the FCC's rules is reasonable and in the best interests of the public to put the final system in place. No doubt there will be costs associated with putting the FCC's December 1998 rules into practice, as well as putting the proposed third party administrator into effect. Along with increased costs will come upward pressure on long distance rates. We believe forcing the industry to bear the costs associated with implementing the FCC's December 1998 rules and then incurring the costs of moving to a new system in 6 months would be wasteful.

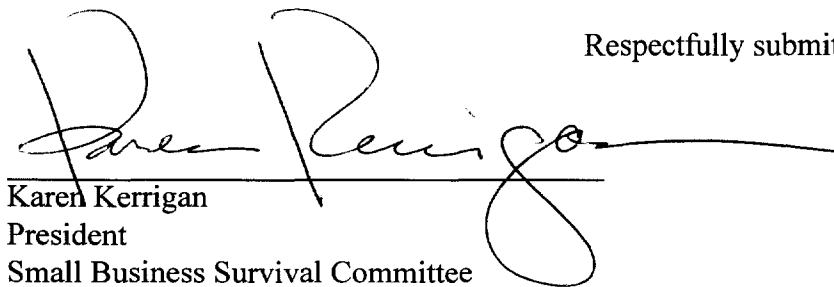
In addition to the unnecessary costs to carriers associated with changing the rules twice in six months, there will be another cost -- consumer confusion. While the Commission is, on the one hand, trying to push for clearer information from the telecommunications industry, changing the

rules twice in six months will have the opposite effect. Add to this the inevitable lag time under the FCC rules and you will have outstanding, unresolved slamming complaints filed by consumers under the December 1998 rules, at the time the new system, as proposed by this waiver, kicks in. This is unnecessarily costly and confusing and a short delay would be the better outcome.

CONCLUSION

Wherefore, the SBSC requests that the Commission grant the waiver of its slamming liability rules requested by MCI WorldCom *et.al.* and stay the current rules for six months while the Third Party Administrator is established and operational.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Karen Kerrigan', is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Karen Kerrigan
President
Small Business Survival Committee
1320 18th Street, NW Suite 200
Washington, DC 20036
(202) 785-0238